

Annual Report of

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WIN-ELDRICH MINES LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1967

PRESIDENT'S REPORT TO THE SHAREHOLDERS

On behalf of the Directors of Win-Eldrich Mines Limited, this Annual Report for 1967 is respectfully submitted. Included in the report is a summary of work completed and currently planned or underway; and financial statements as at December 31, 1967.

KENORA PROPERTY - Lower Lake Manitou Area - Ontario

Surface examination on this 54 claim property, owned jointly with Daering Explorers Corporation Limited, will be underway in July or earlier. If the results are encouraging follow-up ground electromagnetic and magnetometer surveys will be considered. Estimated cost for the surveys is \$12,000.00.

TIMMINS PROPERTY - Tully Township - Ontario

A survey for lease has now been made on this 10 claim property, owned jointly with Daering Explorers Corporation Limited, and will be filed shortly. When funds are available additional diamond drilling will be slated for the previously indicated anomalies which have not as yet, been explored. Earlier drilling returned encouraging nickel-chromium values over a core length of 74 feet but difficult overburden conditions at the time did not permit further work in the vicinity. Developments on neighboring properties, including ground owned or controlled by Texas Gulf Sulphur, will be watched closely.

NORANDA PROPERTY - Duprat Township - Quebec

Mining Concession No. 438, covering the main production area from which some \$3,365,000 in gold-fluxing ores was produced, is being maintained in good standing.

PROPERTY OPTIONS TERMINATED - Quebec

1. St. Simeon Property - North Shore St. Lawrence. Diamond drilling returned no encouraging uranium or rare earth values and this option was terminated.

2. Dalquier-Trescession Property - Amos District, Quebec. Ground geophysical surveys were followed by diamond drilling. No values of interest were encountered and the option was terminated.

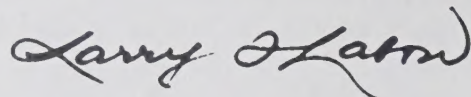
FINANCIAL

We hereby submit the Auditor's Report, the Balance Sheet and related Financial Statements for the year ended December 31, 1967. You will note that the Company has limited funds and will have to finance, by the underwriting of treasury shares, in the near future. Present regulations for providing funds through primary underwritings on the Toronto Stock Exchange are not too palatable and other means will be considered. Since the Company has been active in exploration during the 1967 season, it is our judgement that the listing on the Toronto Stock Exchange should not be in jeopardy at the present time.

ANNUAL MEETING

Notice of the Annual Meeting of Shareholders is enclosed. The Meeting has been called for Friday, June 28th, 1968 at the time and place set out in the accompanying notice. If you are unable to be present in person, would you kindly complete the proxy form and return same to the Company's Head Office in the envelope enclosed for your convenience.

Respectfully submitted on behalf of the Board of Directors.

A handwritten signature in dark ink, reading "Larry F. Labow". The signature is fluid and cursive, with the first letters of "Larry" and "Labow" being capitalized and prominent.

LARRY F. LABOW, B.Sc., P.Eng.,
President.

Toronto, May 28th, 1968.



WIN-ELDRICH MINES LIMITED

SUITE 913 • 25 ADELAIDE STREET WEST • TORONTO 1, CANADA

INFORMATION CIRCULAR

as at May 28, 1968

1. REVOCABILITY OF PROXY

Any shareholder returning the enclosed form of proxy may revoke the same at any time insofar as it has not been exercised. Revocation may be made by written notice to the Secretary of the Company.

2. PERSONS MAKING THE SOLICITATION

The enclosed proxy is being solicited by the management. The cost of solicitation will be paid by the Company. Solicitations will be made by mail, and may be supplemented by telephone or other personal contact to be made without special compensation by regular officers of the Company. The Company may reimburse shareholders' nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation is to be made by specifically engaged employees or soliciting agents.

3. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are authorized, issued and outstanding 1,720,000 common shares in the capital stock of the Company, each share being entitled to one vote. As of May 28th, 1968 to the knowledge of the Directors or senior officers of the Company, no person or company owned of record or beneficially more than 10% of the outstanding voting shares of the Company. Shareholders of record as at June 28th, 1968, the date of the Annual Meeting, are entitled to be present and to vote thereat, but pursuant to a resolution of the Directors of Win-Eldrich Mines Limited those desiring to be represented thereat must deposit their proxies with the Secretary of Win-Eldrich Mines at the Head Office, 48 hours prior to the commencement of the Meeting.

4. REDUCTION IN NUMBER OF DIRECTORS

The Directors of the Company have passed a Special Resolution providing for the decrease in the number of Directors from four to three so that the Board of Directors of the Company shall hereafter be composed of three Directors. Unless otherwise instructed, proxies which are received pursuant to this solicitation will be voted for approval of this Special Resolution.

5. ELECTION OF DIRECTORS

The Directors of the Company are elected annually and hold office until the next Annual Meeting of Shareholders or until their successors are duly elected. In the absence of

instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed all of whom are now members of the Board of Directors. The management does not contemplate that any of the nominees will be unable to serve as a Director.

The names of the nominees for Directors and pertinent information regarding them are as follows:

<u>Name</u>	<u>Principal Occupation or Employment for the past five years</u>	<u>Date First Elected Director</u>	<u>Shares Beneficially Owned as at May 28, 1968</u>
L. F. Labow	President & Director - Labow Mining Consultants Ltd.; Rejol Investments Ltd.; Daering Explorers Corp. Ltd.	13/12/63	1
C.H. Labow	Mining Executive, Vice-President & Director Daering Explorers Corp. Ltd.	13/12/63	1
J.A. Murphy	Corporate Secretary, Director of Daering Explorers	29/3/65	1

7. REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate amounts of remuneration paid during 1967 by the Company and its subsidiaries to the Company's officers and Directors amounted to \$100.00 consisting of Directors' fees. No salaries are received by officers or Directors of the Company. Labow Mining Consultants Limited, a Company owned by the President of Win-Eldrich Mines Limited, received the sum of \$3,875.00 for which sum Secretarial, Accounting services, telephone, equipment, postage, etc. was provided. For Consulting Services and expenses Labow Mining Consultants Limited received \$9,123.09, all charges being on a nominal and minimal basis.

8. APPOINTMENT OF AUDITORS

Fisher, Nisker & Company Limited have been auditors of the Company for several years. Unless otherwise instructed, proxies which are received pursuant to this solicitation will be voted for the re-election of Fisher, Nisker & Company as auditors of the Company.

9. OTHER MATTERS

The management knows of no other matters to come before the meeting of shareholders other than referred to in the notice of the meeting. Should any other matters properly come before the meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accord with the best judgement of the person or persons voting the proxy.

WIN-ELDRICH MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET - DECEMBER 31, 1967 (with comparative figures - December 31, 1966)

ASSETS

	1967	1966
Current assets:		
Cash	\$ 1,873.32	\$ 25,573.61
Short-term deposit with bank	25,000.00	40,000.00
Sundry receivables and advances	-	743.06
Accrued interest receivable	310.00	-
	<u>27,183.32</u>	<u>66,316.67</u>
Investments:		
625,000 shares - Australia Ventures Corporation, at written down value	<u>1.00</u>	<u>1.00</u>
Fixed assets:		
Mining claims, at cost (note 1)	<u>14,220.00</u>	<u>12,220.00</u>
Deferred expenditures:		
Exploration and administrative expenditures, per statement	37,637.00	35,544.02
Reorganization expenses	<u>9,769.15</u>	<u>9,769.15</u>
	<u>47,406.15</u>	<u>45,313.17</u>
	<u>\$88,810.47</u>	<u>\$123,850.84</u>

LIABILITIES

Current liabilities:		
Accounts payable	<u>9,220.62</u>	<u>7,313.57</u>

SHAREHOLDERS' EQUITY

Capital stock:		
Authorized:		
5,000,000 shares, par value \$1.00 each		
Issued and fully paid:		
1,720,000 shares	1,720,000.00	1,720,000.00
Less discount thereon	<u>1,126,251.12</u>	<u>1,126,251.12</u>
	593,748.88	593,748.88
Contributed surplus, arising from the reduction of the Company's capital stock in 1965	<u>1,822,995.52</u>	<u>1,822,995.52</u>
	2,416,744.40	2,416,744.40
Deficit per statement	<u>2,337,154.55</u>	<u>2,300,207.13</u>
	<u>79,589.85</u>	<u>116,537.27</u>
	<u>\$ 88,810.47</u>	<u>\$ 123,850.84</u>

See notes to financial statements

Approved on behalf of the
Board of Directors:

..... (Director)

Medipha (Director)

WIN-ELDRICH MINES LIMITED

DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1967
(with comparative figures for the year 1966)

	1967	1966
Exploration expenditures:		
Engineering and consulting fees and expenses (note 2)	\$ 11,349.49	\$ 8,089.48
Geophysical and geological surveys	3,840.50	7,789.65
Diamond drilling	7,664.00	-
Government fees and licences	105.03	740.03
Miscellaneous	295.38	240.95
	<u>23,254.40</u>	<u>16,860.11</u>
Administrative expenditures:		
Accounting, secretarial and stenographic services (note 2)	3,875.00	3,600.00
Heat office rent	1,674.96	1,199.97
Directors' fees	100.00	200.00
Legal and audit	1,116.70	1,112.85
Transfer agent's fees and expenses	1,028.78	898.26
Shareholders' information, including annual report (note 2)	919.56	1,022.07
Stock exchange fees	100.00	399.07
Government fees and taxes	189.85	269.37
Miscellaneous	228.40	363.39
	<u>9,233.25</u>	<u>9,064.98</u>
Less interest earned	<u>2,047.25</u>	<u>862.20</u>
	<u>7,186.00</u>	<u>8,202.78</u>
Total expenditures for the year	30,440.40	25,062.89
Balance deferred at beginning of year	<u>35,544.02</u>	<u>75,551.23</u>
	<u>65,984.42</u>	<u>100,614.12</u>
Less expenditures on mining claims abandoned, written off to deficit:		
Callieres Township, Quebec (option)	6,943.43	
Dalquier & Trelesson Townships, Quebec (option)	15,085.23	
Duprat Township, Quebec	-	1,624.85
Daniel Township, Quebec	-	31,039.69
Glamorgan Township, Ontario	-	15,366.21
Gloucester County, New Brunswick	-	12,822.87
investigation of property prospects	<u>6,318.76</u>	<u>4,216.48</u>
	<u>28,347.42</u>	<u>65,070.10</u>
Balance deferred at end of year	<u>\$ 37,637.00</u>	<u>\$ 35,544.02</u>

SUMMARY OF DEFERRED EXPENDITURES

Exploration expenditures:		
Duprat Township, Quebec	226.36	121.33
Tully Township, Ontario (50% interest)	20,215.48	19,699.28
Lower Manitou Lake, Kenora, Ontario (50% interest)	<u>2,438.73</u>	<u>1,436.98</u>
	<u>22,880.57</u>	<u>21,257.59</u>
Administrative expenditures	<u>14,756.43</u>	<u>14,286.43</u>
	<u>\$ 37,637.00</u>	<u>\$ 35,544.02</u>

WIN-ELDRICH MINES LIMITED

STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1967
(with comparative figures for the year 1966)

	<u>1967</u>	<u>1966</u>
Balance at beginning of year	\$2,300,207.13	\$2,184,231.03
Additions during year:		
Cost of mining claims abandoned	-	47,905.00
Payments on options to purchase mining claims		
- options not exercised	8,000.00	3,000.00
Payment for services in connection with obtaining option to purchase mining claims	600.00	-
Exploration expenditures incurred on mining claims and options abandoned	16,812.66	38,653.62
Administrative expenditures apportioned to mining claims and options abandoned	5,216.00	22,200.00
Investigation of property prospects - no claim acquired	4,818.76	2,816.48
Administrative expenditures apportioned to investigations of property prospects	1,500.00	1,400.00
Write off of deposit with Quebec Hydro Commission (previously written down to nominal values)		1.00
	<u>36,947.42</u>	<u>115,976.10</u>
Balance at end of year	\$2,337,154.55	\$2,300,207.13

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1967
(with comparative figures for the year 1966)

	<u>1967</u>	<u>1966</u>
Source of funds:		
Proceeds from sale of capital stock	\$ Nil	\$72,000.00
Application of funds:		
Exploration and administrative expenditures, per statement	30,440.40	25,062.89
Less expense incurred not requiring an outlay of funds during year	-	121.34
	<u>30,440.40</u>	<u>24,941.55</u>
Acquisition of mining claims	2,000.00	4,700.00
Payments on options to purchase mining claims	8,000.00	-
Payment for services in connection with obtaining option to purchase mining claims	600.00	-
	<u>41,040.40</u>	<u>29,641.55</u>
Increase (decrease) in working capital	(41,040.40)	42,358.45
Working capital at beginning of year	<u>59,003.10</u>	<u>16,644.65</u>
Working capital at end of year	<u>\$17,962.70</u>	<u>\$59,003.10</u>

WIN-ELDRICH MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1967

NOTE 1 The company's mining claims consist of the following:

Mining concession in Duprat Township Noranda District, Quebec, acquired for 7,020 shares of capital stock (as presently constituted)	\$ 7,020.00
10 unpatented mining claims in Tully Township, Ontario (50% interest) acquired for cash	6,000.00
54 unpatented mining claims Lower Manitou Lake, Kenora District, Ontario, at cost of staking	<u>1,200.00</u>
	<u>\$14,220.00</u>

NOTE 2 Included in the company's expenditures for the year, are payments to Labow Mining Consultants Limited, a company owned by the president of Win-Eldrich Mines Limited, as follows:

Engineering and consulting fees and expenses	\$ 8,568.09
Accounting, secretarial and stenographic services	3,875.00
Shareholders' information including annual report	<u>555.00</u>
	<u>\$12,998.09</u>

AUDITORS' REPORT

To the Shareholders of
Win-Eldrich Mines Limited

We have examined the balance sheet of Win-Eldrich Mines Limited as at December 31, 1967 and the statements of deferred exploration and administrative expenditures, deficit, and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1967 and its activities and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles (applied on a basis consistent with that of the preceding year).

Fraser, McIsaac & Company

Toronto, Ontario,
April 29, 1968.

Chartered Accountants